



State of Idaho
DEPARTMENT OF LANDS
COLLATERAL BOND

LEASE/PLAN/PERMIT NO(s). _____

BOND TYPE

Bank: _____

Address: _____

City/State: _____

_____ Cash

_____ Certificate of Deposit

_____ Letter of Credit

_____ Other (Specify)

KNOW ALL MEN BY THESE PRESENTS, That we _____, as principal are held and firmly bound unto the State of Idaho, in the sum of _____ dollars (\$_____) lawful money of the United States. For such payment, well and truly to be made, we bind ourselves, our and each of our heirs, executors, administrators, successors and assignees, as the case may be, jointly and severally, firmly by these presents.

THE CONDITIONS of the foregoing obligation are such that:

WHEREAS, by lease/plan/permit bearing the above number, the lessee/plan holder/permittee was granted specific rights under and pursuant to the provisions and requirements of Idaho Code title 47, chapter 7, 8, 13, 15 or 16 or Idaho Code title 58, chapters 1, 3 and 6 and the pertinent rules and regulations of the Idaho State Board of Land Commissioners, or policy; and

WHEREAS, said lessee/plan holder/permittee has, by virtue of the lease/plan/permit above referred to, entered into certain covenants and agreements set forth in such lease/plan/permit, under which operations are to be conducted; and

WHEREAS, the said principal, in consideration of being permitted in lieu of the lessee/plan holder/permittee, agrees to furnish this collateral bond, and by these presents does hereby bond himself to fulfill on behalf of the lessee/plan holder/permittee, all of the obligations of the said lease/plan/permit and in the same manner and to the same extent as though he were the lessee/plan holder/permittee. It is understood and agreed by the lessee/plan holder/permittee and the principal that if there are outstanding obligations on the premises, and if outstanding payments are due, this bond shall extend to cover all acts for which restoration or payment of outstanding amounts due, if required, both prior and subsequent to the date of this bond until notified in writing by the Idaho Department of Lands that all obligations have been completed and all amounts due have been paid or the bond has been replaced and all liability under this bond has been released. The Idaho Department of Lands may require payment of the entire sum of this bond, or portions thereof, upon written notice to the appropriate agent, by the department, of the lessee/plan holder/permittee's failure to

perform outstanding obligations and/or pay amounts due under the above referenced statutes, rules and policies.

The appropriate agent shall pay to the Department of Lands the sum of this bond, or portions thereof, as requested by the department within 30 days of receipt of such written notice. In the event of a partial distribution, the remaining funds and liabilities shall not be released until the department notifies the appropriate agent, in writing, of release of remaining liability or requires payment of the remaining bond liabilities. Payment of the full sum of the bond to the department shall constitute release of this bonding liability and obligation.

NOW THEREFORE, if the above principal shall in good faith observe, carry out and comply with all the laws now existing or hereafter enacted, designed or intended for the protection of the surface owner of said lands against damage and resulting loss caused by any operations carried on under said lease/plan/permit, or if any such damage and resulting loss shall so occur nevertheless, for which damage and loss reimbursement is required and made, then this obligation shall become void, otherwise to remain in full force and effect; and the liability of the principal under this bond for any one or more defaults of the principal under said lease/plan/permit shall not exceed in the aggregate the sum stated herein above. It is further provided, however, that a letter of credit may be cancelled by the issuing bank by the service of written notice of cancellation upon the Director of the Department of Lands of the State of Idaho, such cancellation to be effective at the expiration of one hundred and twenty (120) days after the service of such cancellation notice by the principal on the Director by certified mail.

Signed on this _____ day of _____, 20 ____.

(Signature of Principal)

(Business Address)

ACKNOWLEDGMENT OF PRINCIPAL

State of _____)
County of _____) ss

On this _____ day of _____, in the year 20____, before me, a Notary Public, personally appeared _____, known to me to be the _____ of the corporation that executed the instrument, or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same, or the individual who executed the instrument on their own behalf.

In Witness Whereof, I have hereunto set my hand and affixed my official seal of day and year first above written.

Notary Public for: _____
Residing at: _____
My Commission expires: _____, 20____